

Mortgage Problems Related to the COVID-19 Pandemic



CARES Act Relief Options

If your mortgage is a federally backed mortgage, you have two mortgage relief options under the CARES Act:

- First, your lender or loan servicer may not foreclose on you for 60 days after March 18, 2020. Specifically, the CARES Act prohibits lenders and servicers from beginning a judicial or non-judicial foreclosure against you, or from finalizing a foreclosure judgment or sale, during this period of time.
- Second, if you experience financial hardship due to the coronavirus pandemic, you have a right to request a forbearance for up to 180 days. You also have the right to request one extension for another up to 180 days. You **must contact your loan servicer** to request this forbearance. There will be no additional fees, penalties or additional interest (beyond scheduled amounts) added to your account. You do not need to submit additional documentation to qualify other than your claim to have a pandemic-related financial hardship.

Mortgage forbearance is one of the things Nevada negotiated with mortgage lenders as part of the moratorium.

- Participating lenders — which include members of the Nevada Bankers Association, the Credit Union League and the Mortgage Lenders Association — agreed to give homeowners who are facing financial hardship a 90-day grace period to delay their mortgage payments. The grace period applies to Nevadans who have either contracted COVID-19, are taking care of someone who is ill, or workers who have lost their jobs or seen their hours cut as a result of the novel coronavirus' impact on the economy.
- Late fees will be waived during this time and borrowers will not be reported to credit agencies, provided that they notify their lender about their inability to make their payment. It is especially important to communicate with your lender because not all mortgage providers or servicers are providing a grace period (others are also providing grace periods that are longer than 90 days).

Here is [a list of U.S. banks and actions they are taking in response to COVID-19](#), according to the American Bankers Association.

Federal institutions such as Fannie Mae, Freddie Mac, the Federal Housing Administration and the U.S. Department of Agriculture have also instituted various relief measures for borrowers, according to [mortgage site Freeandclear](#).

These include:

- Suspending foreclosures and mortgage default-related evictions for 60 days.
- Mortgage forbearance for up to one year for borrowers who have been financially affected by COVID-19. While interest will continue to accrue, forbearance allows payments to be suspended or even reduced in some cases.
- Loan modification for borrowers who are unable to afford payments after forbearance.

If you have an FHA or USDA loan but your mortgage servicer is not aware of their relief programs, make sure to contact both agencies. Here is contact information for the federal agencies that provide mortgages:

- Fannie Mae
800-232-6643
[Fannie Mae COVID-19 website](#)
- Freddie Mac
800-373-3343
[Freddie Mac COVID-19 website](#)
- Federal Housing Administration
800-569-4287
[FHA website](#)
- USDA
800-414-1226
[USDA Rural Development website](#)

What to do once you've received a mortgage relief option

While you're in the forbearance period, or working under another mortgage relief option, there are a number of things to do to continue to protect yourself. This advice applies to both a CARES Act forbearance and other mortgage relief that you might receive.

- **Keep written documentation on hand.** You want to make sure that you have this documentation available in case there are any errors on your monthly mortgage statements to ensure that your statement reflects the assistance provided.
- **Pay attention to your monthly mortgage statement.** Continue monitoring your monthly mortgage statements to make sure you don't see any errors.
- **Keep an eye on your credit.** It's a good idea to routinely check your credit reports in order to make sure there are no errors or inaccuracies. If you stop making mortgage payments without a forbearance agreement, the servicer will report this information to the credit reporting companies, and it can have a lasting negative impact on your credit history. Get more information about [credit reporting and coronavirus](#).
- **Once your income is restored, contact your servicer and resume your payments.** With forbearance, you still owe the payments that you missed, but fewer missed payments mean you'll owe less down the road.
- **If you're continuing to receive some income that turns out to be more than you need for your bills and expenses (any amount), consider putting the extra money away so you can use it to pay off what's needed later.** If you can save any money now, it'll be helpful when payments are due later.

Sources: Nevada State Treasurer's Office, Federal Trade Commission, and Consumer Financial Protection Bureau